



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 20-24]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Karma Job at karma.d.job.civ@mail.mil or (703) 697-8976.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 20-24 with attached Policy Justification and Sensitivity of Technology.

Dated: August 17, 2020.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, SUITE 101
ARLINGTON, VA 22202-5408

July 9, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-209, The Capitol
Washington, DC 20515

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 20-24 concerning the Army's proposed Letter(s) of Offer and Acceptance to the Taipei Economic and Cultural Representative Office in the United States (TECRO) for defense articles and services estimated to cost \$620 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, appearing to read "Ch Hooper", is written over the typed name.

Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Transmittal No. 20-24

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Taipei Economic and Cultural Representative Office in the United States (TECRO)

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$620 million</u>
TOTAL	\$620 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

None

Non-MDE:

Recertification of Patriot Advanced Capability-3 (PAC-3) missiles, including the replacement of expiring limited life components and certification testing in order to support an operational life of thirty years; test and repair of PAC-3 missiles, including stockpile reliability testing and field returns; repair and return of classified and unclassified PAC-3 missile items and ground support equipment (GSE) component level parts; replenishment of classified and unclassified missile spares and GSE spares, as well as a seeker spares pool to improve the turnaround time of the repair and recertification efforts; air transportation services for missile processing; U.S. Government and contractor technical and logistics support; and other related elements of logistics support.

(iv) Military Department: Army (TW-B-ZDC)

(v) Prior Related Cases, if any: TW-B-YYV

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex

(viii) Date Report Delivered to Congress: **July 9, 2020**

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Taipei Economic and Cultural Representative Office in the United States (TECRO) – Repair and Recertification of Patriot Advanced Capability-3 Missiles

TECRO has requested to buy Recertification of Patriot Advanced Capability-3 (PAC-3) missiles, including the replacement of expiring Limited Life Components (LLCs) and certification testing in order to support an operational life of thirty years; Test and repair of PAC-3 missiles, including Stockpile Reliability Testing (SRT) and Field Returns; Repair and Return (R&R) of classified and unclassified PAC-3 missile items and Ground Support Equipment (GSE) component level parts; replenishment of classified and unclassified missile spares and GSE spares, as well as a seeker spares pool to improve the turnaround time of the repair and recertification efforts; air transportation services for missile processing; U.S. Government and contractor technical and logistics support; and other related elements of logistics support. The total estimated cost is \$620 million.

This proposed sale is consistent with U.S. law and policy as expressed in Public Law 96-8.

This proposed sale serves U.S. national, economic, and security interests by supporting the recipient's continuing efforts to modernize its armed forces and to maintain a credible defensive capability. The proposed sale will help improve the security of the recipient and assist in maintaining political stability, military balance, and economic progress in the region.

This proposed sale will help sustain the recipient's missile density and ensure readiness for air operations. The recipient will use this capability as a deterrent to regional threats and to strengthen homeland defense. The recipient will have no difficulty absorbing this equipment into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The prime contractor will be Lockheed Martin, Camden, AZ. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to the prospective purchasing country.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 20-24

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex

(vii) Sensitivity of Technology:

1. The Patriot Air Defense System contains classified SECRET components and critical/sensitive technology. The Patriot Advanced Capability-3 (PAC-3) Missile Four Pack is classified CONFIDENTIAL. With the incorporation of the PAC-3 missile, the Patriot system will continue to hold a significant technological lead over other surface-to-air missile systems in the world.
2. The PAC-3 Missile sensitive/critical technology is in the area of design and production know-how and primarily inherent in the design, development, and/or manufacturing data related to certain components. Information on system performance capabilities and effectiveness, select software documentation, and test data are classified up to SECRET.
3. If a technologically advanced adversary were to obtain knowledge of hardware and software elements, the information could be used to develop countermeasures or equivalent systems, which might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.
4. A determination has been made that the recipient can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.
5. All defense articles and services listed in this transmittal have been authorized for release and export to the recipient.

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